

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 ARAE-00 EB-07 SSO-00 FPC-01 ERDA-05
OES-07 FEAE-00 AID-05 L-03 USIE-00 CIAE-00
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/054 W

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O 141220Z JUL 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 2717
INFO AMEMBASSY ASUNCION IMMEDIATE
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMEMBASSY BUENOS AIRES IMMEDIATE

C O N F I D E N T I A L BRASILIA 5769

E.O. 11652: GDS
TAGS: ENRG EAID PA
SUBJ: GOP REQUEST FOR SERVICES OF CONSULTANT ON ELECTRIC POWER

REF: ASUNCION 2861 (NOTAL)

1. WE HAVE NOTED EMBASSY ASUNCION'S RECOMMENDATION THAT USG URGENTLY EXPLORE AVAILABILITY OF US SPECIALIST IN HYDRO-ELECTRIC POWER TO GIVE TECHNICAL ADVICE ON POSSIBLE CHANGE-OVER OF PARAGUAY'S ELECTRIC POWER NETWORK TO 60 CYCLES. WHILE WE APPRECIATE COMMERCIAL AND OTHER CONSIDERATIONS IN FAVOR OF RECOMMENDATION, WE QUESTION DESIRABILITY OF USG APPEARING TOO DIRECTLY INVOLVED IN THIS ISSUE.

2. GOP'S DECISION, ON CYCLE CHANGEOVER IS BEING CLOSELY WATCHED IN BRAZIL AND, WE BELIEVE, NEIGHBORING COUNTRIES AND THUS, LIKE ITAIPU ITSELF, HAS ACQUIRED HIGHLY POLITICAL OVERTONES AS REPORTED IN PREVIOUS MESSAGES FROM ASUNCION AS WELL AS THIS EMBASSY. CHANGE-OVER TO 60 CYCLES, ALTHOUGH IT IS IN FACT A MERELY TECHNICAL MATTER, IS ALREADY BEING

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DISCUSSED IN THE PRESS AS A FURTHER STEP IN INTEGRATING PARAGUAY INTO SOUTHERN BRAZIL'S BOOMING ECONOMY AND SHIFTING THE CYCLE PROBLEM TO POSSIBLE FUTURE PARAGUAY-ARGENTINE CORPUS CHRISTI PROJECT WHOSE ECONOMIC ATTRACTIVENESS IS ALREADY REDUCED BY BRAZILIAN STAND ON ITAIPU. HIGH-LEVEL BRAZILIANS EXPECT THAT ECONOMICS WILL COMPEL PARAGUAY TO OPT FOR 60 CYCLE APPROACH. THERE HAVE BEEN REPORTS IN BRAZILIAN PRESS THAT

GOP ALREADY HAS BEFORE IT A TECHNICAL REPORT RECOMMENDING CONVERSION TO 60 CYCLES.

3. RECOMMENDATION BY TECHNICAL EXPERT SEEN AS BEING SPONSORED BY USG COULD HAVE ADVERSE EFFECTS ON OUR BILATERAL RELATIONSHIP WITH EITHER BRAZIL OR ARGENTINA. A RECOMMENDATION IN FAVOR OF CONVERSION WOULD HAVE, WE ASSUME, ADVERSE REPERCUSSIONS IN ARGENTINA WHILE BEING WELCOMED IN BRAZIL. CONVERSELY, A RECOMMENDATION FOR THE DUAL-CYCLE GENERATORS, AND AGAINST CONVERSION -- WHICH WE ASSUME IS NOT LIKELY -- WOULD, OF COURSE, HAVE VERY NEGATIVE EFFECTS IN BRAZIL.

4. DEPARTMENT MAY WISH TO CONSIDER EXPLORING THE POSSIBILITY OF SOME KIND OF INTERNATIONAL UMBRELLA TO AVOID RISK OF EITHER BRAZIL OR ARGENTINA ATTRIBUTING A DIRECT ROLE IN THE OUTCOME OF THIS STUDY TO USG. ALTERNATIVELY, US EXPERT FROM PRIVATE SECTOR RATHER THAN SPECIALIST FROM USG AGENCY, FULLY PAID FOR BY PARAGUAYANS AND WITH USG MAINTAINING VERY LOW PROFILE IN HIS IDENTIFICATION AND RECRUITMENT, MIGHT BE APPROACH TO MINIMIZING THIS RISK.

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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